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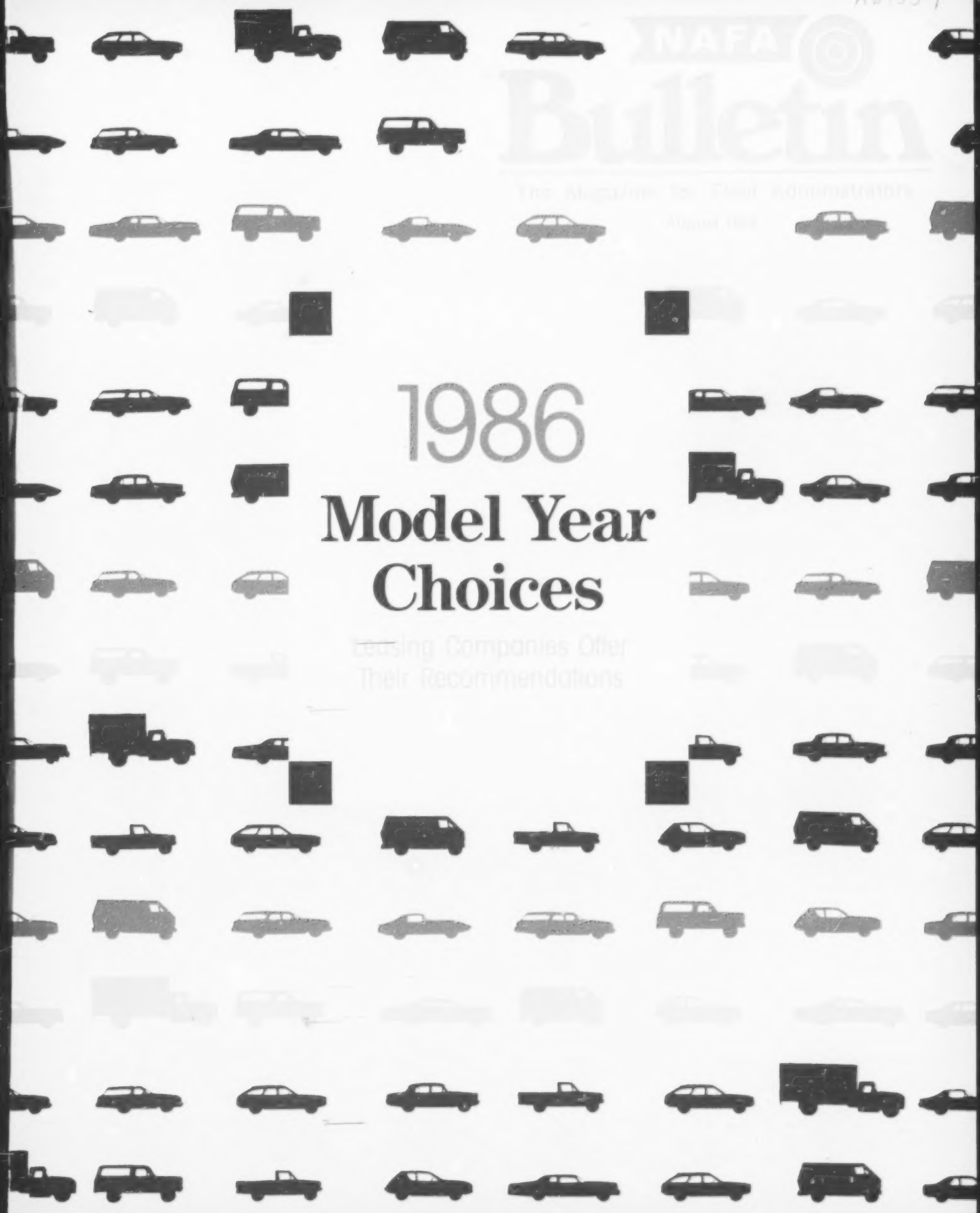

1986 Model Year Choices

Leasing Companies Offer Their Recommendations

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Import Cars in Fleets Grow By 29% in 2 Years

The number of imported cars in the average North American fleet increased 29% between 1982 and 1984, according to fleet composition surveys conducted by *Runzheimer Reports on Transportation*. Since 1982, the percentage of imported cars has increased one percentage point per year. This increase is shown in Table 1. Although the percentage of fleets with imports dropped slightly — 28 percent in 1982 to 27 percent in 1984, as shown in Table 2, those fleets with imported cars have dramatically increased the number, from an average of 56 in 1982 to an average of 72 in 1984 — a 29 percent jump! This dramatic increase is illustrated in Table 3.

Table 1
Composition of Average North American Car Fleet Domestic vs. Imports

	1982	1983	1984
Domestics	98%	97%	96%
Imports	2%	3%	4%

This data indicate that acceptance of import cars is growing among U.S. and Canadian fleets which typically drive only North American vehicles. However, there is still some confusion as to what constitutes an import car. For example, GM has been marketing the Chevrolet Sprint — built by Suzuki — on the west coast and the Spectrum — built by Isuzu — in 17 eastern states. By displaying a domestic nameplate, these vehicles are, at least in name, domestic. But, the Sprint and the Spectrum are actually Japanese Chevys, not American chevys, making them domestic-sponsored imports.

Table 2
Surveyed Fleets With Imported Cars

1982	1983	1984
28%	26%	27%

Table 3
Average Number of Imported Cars in Those Fleets Having Them

1982	1983	1984
56	58	72

Five hundred and six North American fleets, representing 248,524 cars, responded to the 1984 survey. Data from 1983 reflect 532 North American responses totalling 265,000 cars, while 1982 figures represent 95 fleets with 78,390 vehicles.

No Clear Distinction

According to Runzheimer, a clear distinction between imports and domestic cars is not likely to be made in the future. This is because the recent lift on the ban of imported cars to the U.S. will allow more imports in to the country and will raise even more questions about the vehicle's parentage. In an effort to reduce confusion over the matter, Runzheimer's auto analysts created the following code:

DN/FM — domestic nameplate but foreign made (Plymouth Colt)
DN/DM — domestic nameplate and domestically made (Ford Escort)
FN/DM — foreign nameplate but domestically made (VWoA Golf)
FN/FM — foreign nameplate and foreign made (BMW 318i)

Although this code will help you and your drivers classify cars, the once "clear line" distinguishing imports from domestic will remain blurred for some time.

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First Class of Certified Fleet Managers

Ten People Receive CFM Designation

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FEATURES

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The swing to mid-size cars by fleet managers is gathering momentum, according to NAFA's annual new car acquisition survey. A total of 243 fleets participated in this year's survey.

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The surprising findings of a series of statewide surveys, conducted over the past four years by the Ohio State Highway Patrol, are described in this article.

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New Car Survey Reveals:

For 1986, Most Fleet Managers

Two of every three new cars purchased during the 1986 model year will be a mid-size unit.

The swing to mid-size cars by fleet managers is gathering momentum. During the 1986 model year, two of every three new cars will be a mid-size unit, according to NAFA's annual new car acquisition survey.

In 1984 mid-size cars accounted for 35 percent of the new car orders; in 1985 the figure jumped to 54 percent, and this year it will reach 67 percent. The popularity of the mid-size cars is coming at the expense of both compacts and large cars. Sub-compacts are practically non-existent in commercial fleets, accounting for only one percent of the vehicles in service.

NAFA Exclusive

A total of 243 fleets participated in NAFA's new car acquisition survey. They operate a total of 173,248 passenger cars. These fleets plan to acquire slightly more than 60,000 new cars during the 1986 model year, nearly 3,000 more than they acquired during the 1985 model year.

A breakdown of the 243 responses reveals that 191 fleets are commercial firms in the United States. In addition to these fleets, are 15 public utility fleets, 18 fleets in government agencies, and 19 Canadian fleets.

Other highlights of the survey are:

▲ AM/FM stereo, cruise control, and tilt steering wheel are growing rapidly as options ordered in every car by more and more fleets. If the trend continues they may be as common as automatic transmissions and air conditioning.

▲ Four-door sedans continue to dominate among the body styles selected by fleet managers. The new vans have been able to garner only three percent of the new car orders.

▲ While only a handful of fleets are making major changes in their new car specifications, there may be a trend developing in engine specifications — a growing, but still relatively small, switch to four-cylinder engines for the mid-size cars.

▲ Imports are still unable to gain a major share of the fleet market. While 35 U.S. commercial fleets reported they have some imports in service, only 11 fleets plan to buy or lease imports in the 1986 model year. The most interesting comment about the use of imports came from one U.S. government fleet manager who wrote the number of imports is "classified."

Insurance Group

The Insurance Group participating in the annual new car acquisition survey consists of 32 fleets operating 32,860 passenger cars (19,082 company-owned, 13,778 leased). The current composition of these fleets is one percent sub-compacts; 59 percent compacts; 36 percent mid-size cars, and 4 percent large cars.

During the 1985 model year these fleets acquired 10,412 new cars. They plan to acquire 11,030 new units during the 1986 model year. Only one percent of these new cars will be sub-compacts; 54 percent will be compacts; 42 percent mid-size cars, and three percent large cars.

Eighty-seven percent of the group's new cars will be four-door sedans. Six percent will be station wagons; three percent will be two-door models and

Are Buying Mid-Size Cars

three-door models. One percent each of the new car orders will be for five-door hatchbacks and mini-vans.

Two out of every three new cars will be middle line vehicles; 23 percent will be bottom line cars, and 10 percent will be top of the line models.

Only one fleet in the Insurance Group is planning a major change in its vehicle size for 1986 — switching from mid-size cars to compacts. Three fleets are planning to order their new cars with standard transmissions. In two fleets they will be used in compacts and in the other fleet, they will be used in sub-compacts.

"AM/FM stereo, cruise control, and tilt steering wheel are growing rapidly as options ordered in every car by more and more fleets. If the trend continues they may be as common as automatic transmissions and air conditioning."

Three fleets in the group are planning to order some specialty cars during the 1986 model year, a total of 25 units. One fleet is planning to acquire a few imports, although four fleets reported they have some imports now in service, 35 units in all.

Of the 32 fleets in the group, 20 give the company car operator some choice in vehicle selection. Sixteen fleets permit choice of make; 15 permit choice of model; one allows the employee to select the engine desired; two allow choice of transmission, while ten give the operator a choice of options to be installed on the new car — at his or her expense.

Engine use in the Insurance Group follows a familiar pattern — most compacts are equipped with four cylinder engines; mid-size cars with sixes, and large cars with eight-cylinder engines.

Food and Beverage Group

The Food and Beverage Group consists of 21 fleets operating 14,979 passenger cars (9,197 company-owned, 5,782 leased). The current composition of the group's cars is 23 percent compacts; 72 percent mid-size units, and four percent large cars. Only one fleet in the group has any sub-compacts in its fleet.

The group acquired 6,588 new units during the 1985 model year and they plan to buy or lease 6,647 during the coming model year. Twenty-two percent of the new cars will be compacts; 74 percent will be mid-size cars, and four percent will be large cars. Not one fleet in the Food and Beverage Group is planning to make any major changes in its acquisition policy during the 1986 model year.

Some 62 percent of the group's new cars will be middle line vehicles; 21 percent will be top of the line models, while 16 percent will be bottom line cars.

Eight[illegible]-eight percent of the new car orders will be for fo[illegible]oor sedans; five percent for two-door sedan[illegible]our percent for vans, and three percent for station wagons.

Four fleets in the group are changing their engine specifications for 1986 — two are switching to turbos while the other two will be ordering four-

(Continued on page 8)

New Car Acquisition Survey

(Continued from page 7)

cylinder engines for their mid-size cars. One fleet in the Food & Beverage Group plans to equip its cars with standard transmissions.

At the present time every fleet ordering compacts equips them with four-cylinder engines; in fleets with mid-size cars, half have four-cylinder engines; the other half have six-cylinder engines. Half of the large cars in the group are equipped with six-cylinder engines; the other half with eight-cylinder engines.

Two fleets in the group are planning to order a few specialty cars during the 1986 model year. One fleet reported it would acquire a handful of imports. Four fleets said they already have some imports in service, a total of 15 units.

"Four fleets in the Food and Beverage Group are changing their engine specs for 1986 — two are switching to turbos; the other two will be ordering 4-cylinder engines for their mid-size."

All but four of the 21 fleets give the company car operator some choice in the vehicle to be used. Sixteen permit a choice of car; nine allow the operator to select the model desired; three allow choice of engine; one allows choice of transmission, and 14 give the operator permission to order additional optional equipment, primarily power options — power windows and door locks.

Drug & Cosmetic Group

The Drug & Cosmetic Group, participating in the 1986 new car survey, consists of 26 fleets operating 18,921 passenger cars (2,441 company-owned, 16,480 leased). The current composition of the fleet is two percent sub-compacts; 10 percent compact cars; 84 percent mid-size units, and four percent large cars.

The Drug & Cosmetic Group acquired 7,696 new cars during the 1985 model year and plans to acquire slightly more — 7,788 — during the 1986 model year. Of the 1986 model cars being ordered, two percent will be sub-compacts (all by one fleet); nine percent will be compacts; 85 percent will be mid-size cars, and four percent will be large cars.

Two fleets are planning major changes in their new car policies — both are switching from compacts to mid-size cars.

Two out of every three new cars in this group will be a four-door sedan. Seventeen percent will be two-door sedans. Seven percent of the new car orders will be for both station wagons and five-door hatchbacks. Vans will account for two percent of the new car orders; three-door hatchbacks will be one percent. Sport models account for less than one half of one percent of the new car orders.

"Two fleets in the Drug & Cosmetic Group are planning to acquire a few imports, while six fleets said they now have some imports in service.."

Sixty percent of the new car orders are for middle line units; 15 percent for top of the line models, and 25 percent for bottom line cars.

Five fleets in the group plan to order some specialty cars during the coming model year, a total of about 60 units. Two fleets are planning to acquire a few imports, while six fleets said they now have some imports in service, slightly more than 100 cars out of the total of more than 18,000 in the entire group.

Every fleet using compacts orders them with four-cylinder engines; the majority of fleets using mid-size cars equip them with six-cylinder power plants, while a majority of the large cars have eight-cylinder engines.

Nine fleets in the group are planning to change their engine specifications in their 1986 new car orders. Five fleets are switching to four-cylinder engines in their mid-size cars; three fleets are changing to six-cylinder engines in mid-size cars. One fleet plans to order six-cylinder engines for its large cars.

(Continued on page 11)

Changes in NAFA Car Size Categories (Weight/Wheelbase)

Year	Sub-Compact	Compact	Mid-Size	Large
1979	Under 100″ Under 2,500 lbs.	100-106″ 2,500 - 3,000	106-114″ 3,001 - 3,500	Over 114″ Over 3,501
1981	Under 100″ Under 2,300 lbs.	100-106″ 2,300 - 2,799	106-114″ 2,800 - 3,399	Over 114″ Over 3,400
1983*	Under 99″ Under 2,199 lbs.	100-104″ 2,200 - 2,599	105-108″ 2,600 - 3,199	Over 108″ Over 3,200

*1986 categories remain the same.

New Car Acquisition Survey

(Continued from page 8)

Twenty-four of the 26 fleets give the company car operator some choice in vehicle selection. Twenty-two permit choice of vehicle; 16 allow the operator to select the model desired; four permit choice of engine; one allows a choice of transmission, and 22 allow the employee to order additional optional equipment.

Chemical & Petroleum Group

The Chemical & Petroleum Group, responding to the 1986 new model acquisition survey, consists of 31 fleets operating 18,434 passenger cars (8,890 company-owned, 9,544 leased). The current composition of these fleets is one percent sub-compacts (all in one fleet); five percent compacts; 60 percent mid-size cars, and 34 percent large cars.

The fleets in this group acquired 5,316 new cars during the 1985 model year. They plan to buy or lease 6,527 units during the 1986 model year. The new car acquisitions will consist of one percent sub-compacts (again all by one fleet); nine percent compacts; 61 percent mid-size vehicles, and 29 percent large cars.

Ninety-one percent of the new car orders will be for four-door sedans. Four percent of the orders will be for station wagons; two percent for vans, and one percent each for two-door sedans and five-door hatchbacks.

"Twenty-four of the 31 fleets in the Chemical & Petroleum Group give the car operator a choice in vehicle selection... but only nine of the 24 permitting a choice permit the operator to add optional equipment..."

Sixty-six percent of the orders will be for middle line units; 30 percent for bottom of the line models and only four percent for top of the line cars.

Two fleets in the group are planning major changes in their new car policies. One is switching to mid-size cars; the other is moving to compacts.

Practically all compact cars are equipped with four-cylinder engines. The great majority of the mid-size cars are ordered with six-cylinder engines, and most of the large cars come with eight-cylinder engines.

Nine fleets in the group said they plan to make major changes in their engine policies during 1986. Four fleets are switching to four-cylinder engines for mid-size cars; three are moving down to six-cylinder engines in their large cars, while two are moving up in engine size — one is ordering six-cylinder engines in mid-size, the other is using six-cylinder engines in its compacts.

U.S. Composite Fleet
(Excluding Government & Public Utility Cars)

Number of Fleets Responding	191
Number of Vehicles	147,278
Average Fleet Size	771
Current Composition of Composite Fleet:	
Sub-Compacts	30
Compacts	231
Mid-Size	470
Large	62

One fleet reported that it will switch to standard transmission in all its 1986 models.

Twenty-four of the 31 fleets in the Chemical & Petroleum group give the car operator a choice in vehicle selection. All 24 fleets permit the driver to select the make of car desired (from a selector list, of course); 13 permit choice of model; seven allow the employee to choose the engine desired; three allow choice of transmission, but only nine of the 24 permitting a choice permit the operator to add optional equipment items to the car.

Three fleets in the group plan to order a few specialty cars in the coming model year. Only one fleet plans to acquire any imports in 1986. Only one fleet reported that it had any imported cars currently in service — three units.

Manufacturing-Consumer Group

The Manufacturing-Consumer Group consists of 34 fleets operating 22,533 passenger cars (14,388 company-owned, 8,145 leased). The current composition of these fleets is 14 percent compacts; 78 percent mid-size cars, and seven percent large cars. Sub-compacts, used in one fleet, account for less than one-half of one percent of the cars in the group.

The fleets in the group acquired 8,602 new cars during the 1985 model year. In 1986 they plan to buy or lease essentially the same number of vehicles — 8,698. Eight percent of the new car orders will be for compacts; 89 percent for mid-size cars, and three percent for large units. Only one fleet plans to acquire any sub-compacts. The one fleet in the group that will make a major change in new car acquisition policy is dropping its sub-compacts.

Eighty-one percent of the 1986 model year car orders will be for four-door sedans; 10 percent of the orders will go to station wagons; four percent each for vans and two-door sedans; one percent of the orders will be for five-door hatchbacks.

Eighty-two percent of the group's new car orders will be middle line models; 16 percent will be top of the line cars, while the remaining two percent will be for bottom of the line cars.

As is the case in the other groups, most fleets in the Manufacturing-Consumer Group equip their

compacts with four-cylinder engines; their mid-size cars with six-cylinder engines, and large cars with eight cylinders.

However, there may be a trend apparent in the group. Four fleets planning major changes in engine use all say they are switching to four-cylinder engines in mid-size cars. Three fleets in the group are planning to equip new cars with standard transmission: In one fleet mid-size cars with six cylinder engines; in one fleet with four-cylinder engines in mid-size cars, and in one fleet with four-cylinder compacts.

One fleet reports it is planning to acquire a few specialty cars during the 1986 model year; three fleets are planning to acquire some compacts next year, while 12 fleets say they have a few imported cars already in service, a total of 65 units out of the 22 thousand cars now in the group's fleets.

Twenty-five of the 34 fleets in the Manufacturing-Consumer Group have a policy of choice in vehicle selection. Twenty-three fleets give the corporate employee a choice of makes of car; 16 permit a choice of model. Three fleets permit the operator to select the engine desired; two allow a choice of transmission. Sixteen fleets permit the operator to purchase additional items of optional equipment. Most specify that such items remain with the car when it is replaced.

Manufacturing-Industrial Group

The Manufacturing-Industrial Group, participating in the 1986 new car acquisition survey, consists of 34 fleets operating 37,644 passenger cars (11,112 company-owned, 26,532 leased). The current composition of these fleets is 39 percent compacts; 57 percent mid-size units, and four percent large cars. Two fleets have sub-compacts, accounting for much less than one-half of one percent of the total fleet.

The fleets in this group acquired 13,578 new cars during the 1985 model year; in 1986 they plan to buy or lease 13,819 new units.

"As in most other groups, the fleets in the Manufacturing-Industrial Group order compacts with four-cylinders; most mid-size cars with six-cylinders, and large cars with eights."

Thirty-five percent of the new units will be compacts; 63 percent will be mid-size cars, and two percent large cars. Not one fleet in the group plans to order any sub-compacts during the 1986 model year.

Sixty-nine percent of the new car orders will be for four-door sedans; 18 percent for station wagons; seven percent for two-door sedans, and five percent for vans.

Seventy percent of the new car orders will be for middle line models; 13 percent for top of the line units, and 16 percent for bottom line cars.

U.S. Composite Survey Fleet
1981-1985 Model Years
(Excluding Government & Public Utility Fleets)

	1981	1982	1983	1984	1985
Number of Cars in Fleet	750	762	632	758	771
Current Composition of Fleet					
Sub-Compacts	15	23	12	30	8
Compacts	348	404	323	311	231
Mid-Size	320	282	240	349	470
Large	67	53	57	58	62
Actual Acquisitions in Previous Year	284	274	211	266	276
Planned New Car Acquisitions in Coming Model Year	302	284	232	279	288
Sub-Compacts	21	19	2	11	3
Compacts	205	185	133	75	75
Mid-Size	67	74	81	151	193
Large	9	6	16	42	17

As in most other groups, the fleets in the Manufacturing-Industrial Group order compacts with four-cylinders; most mid-size cars with six cylinder engines, and large cars with eights.

However, five fleets say they will be changing their engine specifications in 1986 — all moving to smaller power plants. Four fleets will equip mid-size cars with four-cylinder engines, and one will put six cylinders in its large cars.

(Continued on page 12)

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